



Investors' presentation, Vontobel Summer Conference
June 11, 2014 | Tobias Knechtle (CFO), Mladen Tomic (IR)

1

Valora at a glance

2

Review FY 2013 and key financials

3

Strategic initiatives divisions

4

Divestment Valora Services

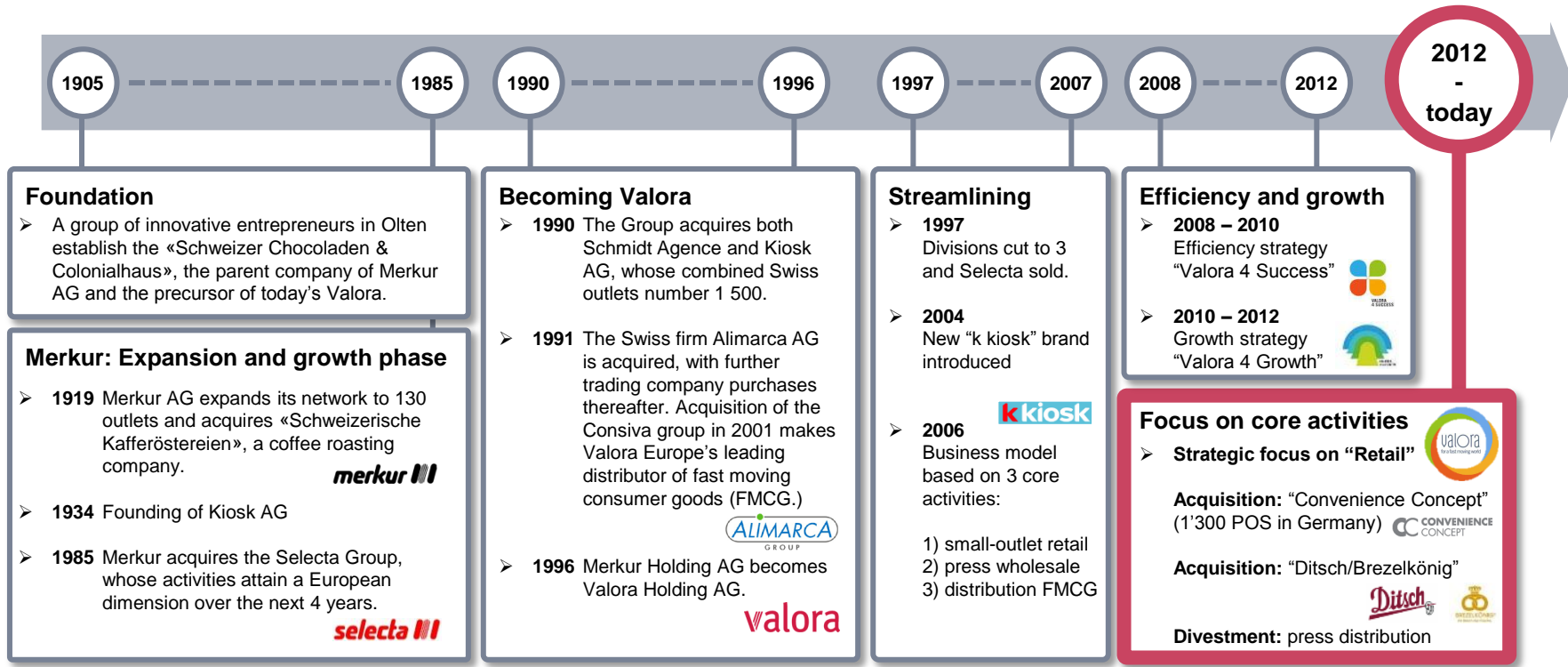
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Q & A

Valora – past and present

Changeful history starting more than hundred years ago

valora



Core business with attractive portfolio of store formats

Overview Valora businesses

valora

Small-outlet retailer
operating at heavily
frequented sites

Core business: Retail & Ditsch/BK



- DE, CH, Lux and AT
- Heavily frequented sites
- 4 attractive formats
- Significant partnerships
- Attractive business models
- Expanding food, services

Ditsch



- Switzerland and Germany
- Major growth potential
- Specialist lye-bread baker
- Focus on snack-market niche
- Quality and freshness
- Retail/wholesale channels

Services



- CH and Lux
- Specialised logistics
- Press distributor in CH/Lux
- 3rd party logistics
- Strong market position

Trade



- CH, AT, DE, DK, NO, SE and FI
- FMCG and cosmetics market enabler / distributor

Valora core business

Most important 6 formats

valora



„Treat yourself“

Instant satisfaction

kkiosk

CIGO



„365 days a year;
from early till late“

Shopping enjoyment

avec.

ServiceStore DB



„Thought for
the journey“

Reading enjoyment

Press
P&B
Books



„Caffè e
Passione“

Coffee to enjoy



„Tradition since
1919“

Always crispy,
always fresh,
always Ditsch

Ditsch



„In pretzel
territory“

Constant
freshness

BREZELKÖNIG®

Valora – strategic focus

Lean, agile micro retailer with an outstanding outlet network



- Strengthening food and services offerings
- Leveraging high frequency outlet network through successful store formats
- Enhance European leadership for lye-bread products through vertically integrated business model at Ditsch/Brezelkönig
- Measures to increase profitability of Valora Trade
- Optimisation of processes and efficient back office

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➤ **Increased share of food and services in core-business product range yield first successes (Retail, Ditsch/Brezelkönig)**

- Swiss kiosk-network transformation
- Ditsch/Brezelkönig successfully integrated
- ok.- Prepaid MasterCard launched

➤ **Greater focus on core business continues**

- Services: Valora to hand over business in 2014
- Trade: streamlining of business portfolio initiated in 2013

➤ **Optimised NWC generates strong performance in FCF**

- Free cash flow per share up 74 percent
- Dividend of CHF 12.50 confirmed

➤ **Sound balance sheet with long-term debt financing**

- Financing flexibility secured

Key financial metrics in 2013



141
million EBITDA
+26%



77
million EBIT
+36%



86
million free cash flow
+102%



1.6x
Leverage ratio
-0.8x

Substantial improvements across the board

Valora Group 2013 income statement

in CHF million and
△ vs 2012

External sales	3 403.4	➔	+2.5%
Net revenues	2 859.0	➔	+0.4%
Gross profit	1 038.2	➔	+10.4%
<i>Gross-profit margin</i>	<i>36.3%</i>	➔	+3.3 pct pts
Net operating costs	-961.2	➡	+8.8%
EBITDA	141.3	➔	+26.0%
EBITDA margin	4.9%	➔	+1.0 pct pts
EBIT	77.0	➔	+35.9%
EBIT margin	2.7%	➔	+0.7 pct p
Net income	54.1	➔	+40.8%



Comments

- **External sales increased:**
 - Full-year contribution from acquisitions
 - Improved product mix
 - Disposals / lower press volumes offset
- Strong rise in gross profit thanks to Ditsch/BK and product-range changes at kiosk Switzerland

Key financial metrics per division in 2013

in CHF million



Retail

Net revenues	1 694
External sales	2 243
EBIT	38
# POS	~ 3 000
Countries	

Share of EBIT	~ 80%
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Ditsch/Brezelkönig

Net revenues	198
EBIT	26
# POS	~ 240
Countries	



Services

Net revenues	295
EBIT	11
Countries	

Share of EBIT	~ 20%
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Trade

Net revenues	798
EBIT	7
Countries	

Balance sheet strengthened, financing flexibility enhanced

Valora Group 2013 balance sheet

in CHF million and Δ vs 2012

Total assets	1 630.9	➔	+1.3%
Cash, cash equivalents	175.0	➔	+18.3%
Goodwill	478.8	➔	+2.2 million
Net working capital	104.0	➔	-23.7%
<i>NWC in % net revenues</i>	<i>3.6%</i>	➔	+1.1 pct pts
Net debt	219.2	➔	-142.4 million
<i>Leverage ratio</i>	<i>1.6x</i>	➔	-0.8x
Equity	730.3	➔	+26.4%
<i>Equity cover</i>	<i>44.8%</i>	➔	+8.9 pct pts



Comments

- 2013 refinancing transactions significantly reduced net debt and leverage ratio
- Partial refinancing helped to optimise debt financing costs and maturity profile
- CHF 120 million hybrid-bond placement increased equity cover

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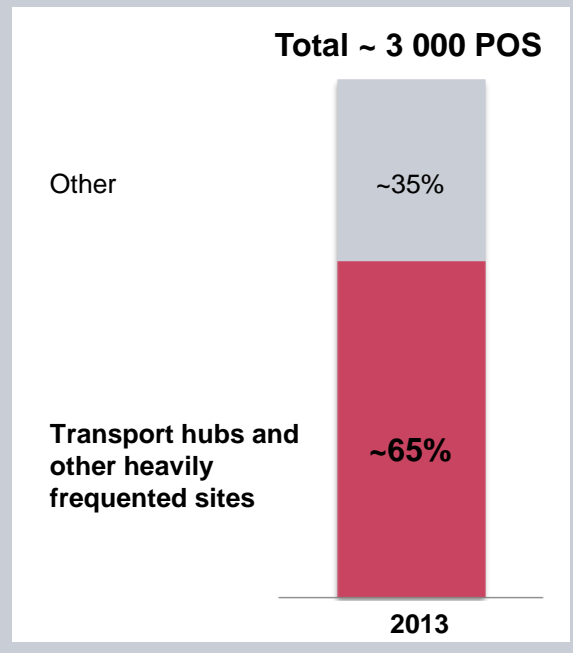
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Q & A

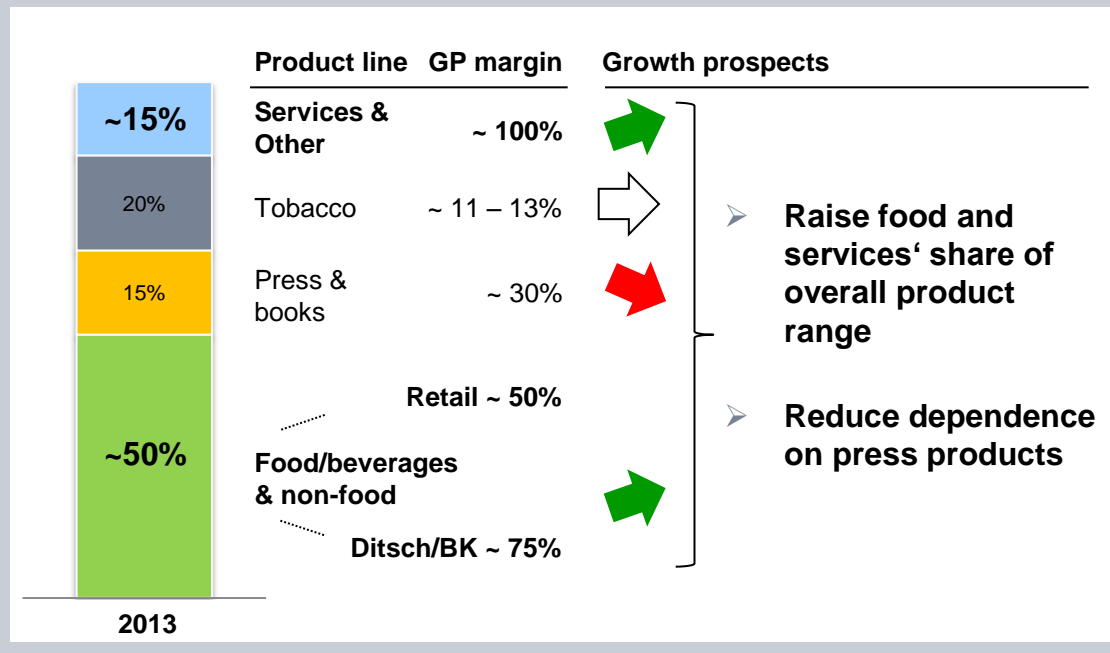
Valora Group benefits from attractive sites and product range

Focus on food and services at heavily frequented sites

Gross profit by site cluster



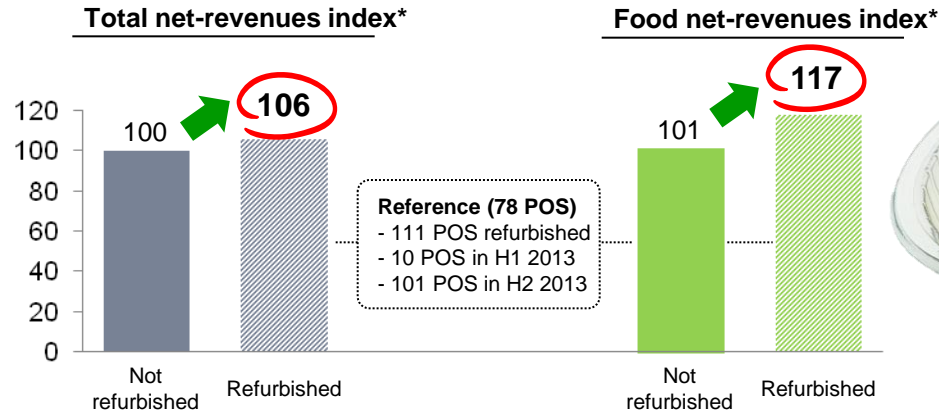
Gross profit for aggregate Retail & Ditsch/Brezelkönig by product line



Retail Switzerland (1/2): 111 k kiosk outlets refurbished

Expanded food range delivering results as planned

Effect of investments on Swiss kiosk sales (indices based on previous year)



- Proof of concept for investments in high-margin lines (200 POS refurbishments planned)
- Positive effects on services (e.g. prepaid cards) as well as food
- Professionalisation and optimisation of promotion campaigns (digital signage)
- 5 avc. outlets refurbished, 20 rebranded

* Same stores, 12 months, based on December 2013 data

Retail Switzerland (2/2): further enhancement of services

Promising results and new frequency through services

Comments

- Use high customer frequency (650 000 per day!), great locations and well recognised retail brands (k kiosk, P&B, avéc.)
- Create customer loyalty through simple and attractive services
- Generation of additional revenues and increase profitability

Telecom services



Parcel services



Deals



Financial services



Gift cards



Retail Germany: potential not yet realised

Elaborate transformation process and challenging integration of CC into organisation

Retail network Germany 2014

Small-outlet sites

(shopping centres, supermarkets, city centres, transport hubs)



~ 1 000

Press & Books

(stations & airports)

kiosk

~ 200



~ 180

Convenience

(railway stations & travel)

ServiceStore DB

~ 200

~ 1 580

Opportunities

- Potential for partial roll out new shop format
- Reduce press dependency
- Site refurbishments
- Increase food / services share of total product range
- Attract new franchisees

✓ Highlights

- **Refurbishment progress in 2013**
 - 80 sites transformed (kiosk, conv., P&B)
 - 20 new openings (kiosk, conv., P&B)
- **New food lines introduced**
 - ok.- energy drinks
 - Ditsch lye-bread products
- **Impulse magazine ranking award**
 - Retail Germany franchise model placed 3rd)
- **Improved collaboration** with industry

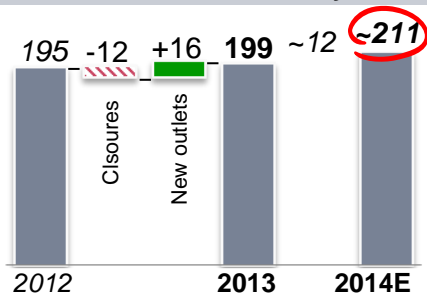
✗ Lowlights

- Demanding **structural integration of CC** in 2013 (behind plan)
- Outlet **transformations require significant effort** (delays)
- Network **portfolio streamlining** ongoing
- Continuing **press volume contraction**

Ditsch/Brezelkönig (retail)

Highly successful integration | 7 percent sales growth in 2013

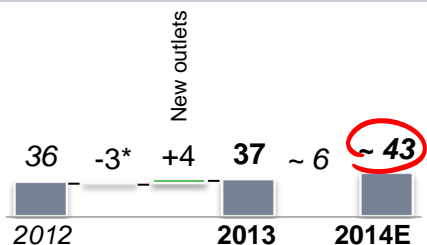
Number of outlets in Germany



Germany

- New store layout introduced and achieving very good results
- Expansion: ~ 25 openings planned in 2014E
- 200th outlet opened in March 2014 | 211 outlets by year-end 2014

Number of outlets in Switzerland



Switzerland

- 1 outlet opened in French-speaking Switzerland (Lausanne) | 3 new outlets in Zurich area
- Expansion: ~ 9 openings planned in 2014E (2 in French-speaking Switzerland)
- 43 outlets by year-end 2014



* 1 outlet closed, 1 outlet format changed (to Valora Retail), 1 merged with BK outlet

Ditsch/Brezelkönig (wholesale/manufacturing)

Niche focus supports strong projected sales growth of some 5 percent

DITSCH WELTWEIT
DITSCH AROUND THE WORLD

Ditsch

Wholesale business

- Strong, broad-based distribution structures
- Unique niche position to be developed further
- Lye-bread products are a rapidly growing product line
- Sound growth of some 5% projected for wholesale business
- Portfolio well diversified across three distribution channels, German wholesale (~75%), export (~20% | growing) German food retail (~5%)



Ultra-modern facilities

- Focus on lye-bread products
- 8th highly-automated production line inaugurated in Oranienbaum
- Continuing investment to maintain quality leadership
- 2013 output: > 400 million items
- Production capacity sufficient to support expansion plans



Valora Trade (1/2): market overview

Largest European distributor with highly diversified portfolio and cosmetics presence



Valora Trade: geographical presence and market position



Selected key distributors in Europe

Company	Est. revenue in EUR million	Region
Valora Trade	0.7	CH, GER, AUT, Nordics
Nelt	0.5	Balkans, Sub-saharan Africa
Solinest	0.5	Benelux
Johnson Brothers	0.4	Ireland
Trendy Foods	0.4	Benelux
Atlantic Trade	0.4	Balkans
Elgeka	0.3	Greece, RO, BG, CY
Top Brands Distribution	0.3	Romania
Navo	0.3	Poland
Kofola	0.2	CZ, SK, PL
Eugesta	0.2	Baltics
Haugen Gruppen	0.2	Nordics

Brands distributed by Valora

Food



Non-Food



Cosmetics



Valora Trade (2/2): performance initiatives

75 percent of portfolio earn its cost of capital | focus on cost efficiency

Valora Trade portfolio composition



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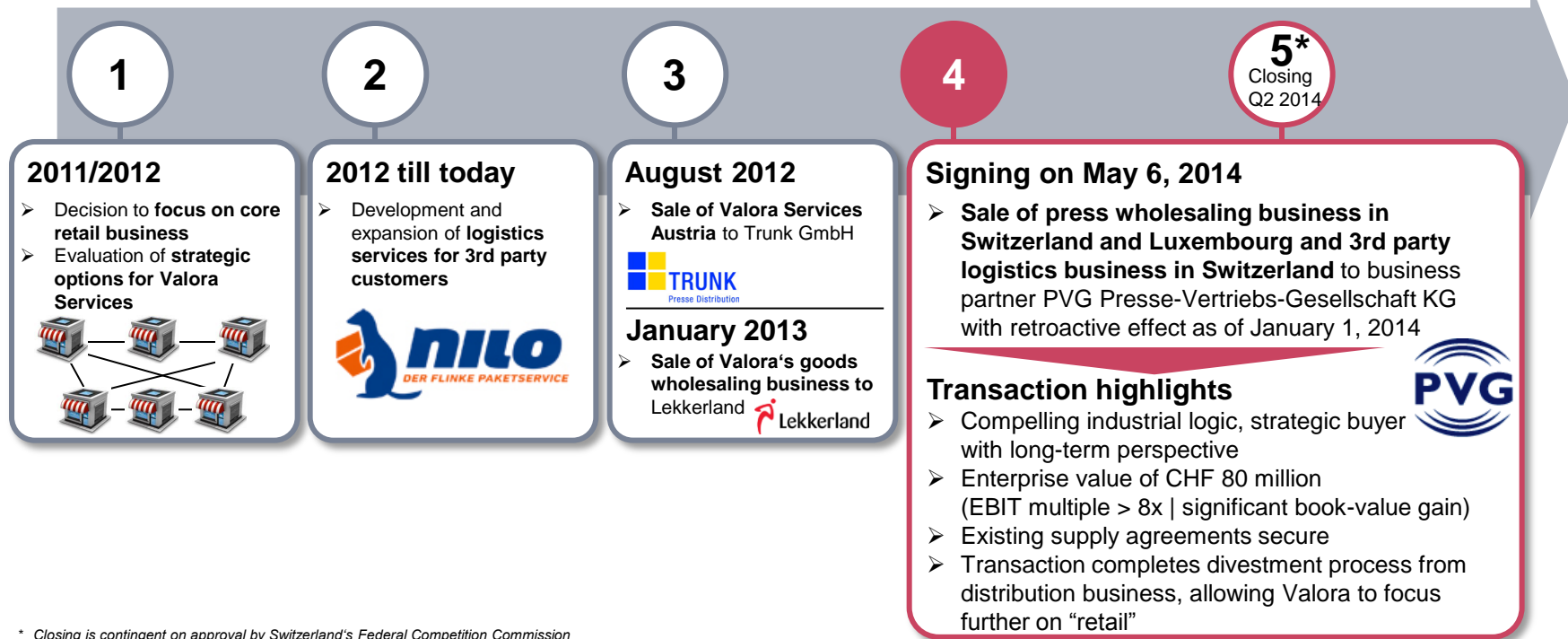
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Strategy focusing on retail in heavily frequented locations

Strategic decisions relating to Valora Services between 2011 and 2014



* Closing is contingent on approval by Switzerland's Federal Competition Commission

Scope of the transaction

Valora Services has an attractive business portfolio | Goods logistics remains for now with Valora

1 Press



- Total employees: ~ 270 (across Switzerland)
- Press distributor in German-speaking and Italian-speaking Switzerland (~ 6 million inhabitants)
- Substantial international press expertise and cooperation with publishers
- Supplying a network of > 14 000 sites (press and 3rd party clients)

2 3rd party



- Intraday and overnight logistics for press products and 3rd party customers
- Pick-up/drop-off services for online retailing offer substantial growth opportunities

3 Press



- Total employees: ~ 70
- Attractive market position
- Network of ~ 70 Valora Retail Luxemburg outlets provides sound foundation for business
- Attractive portfolio of some 300 3rd party customers

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ASK
valora

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